Benefits of Downfall of Global Oil Prices

2550. SHRI YERRA NARAYANASWAMY: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the down-swing in global crude prices will benefit Indian downstream units;

(b) the details of the benefits of the down-swing in global crude prices to the Indian consumer;

(c) whether it is a fact that the benefits are not being passed on to the Indian public; and

(d) if so, the steps proposed to examine the reasons for this cornering of benefits of the down-swing of crude oil by Corporations?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR): (a) to (d) Effective 1.4.98, the domestic refineries are outside the purview of the Administered Pricing Mechanism (APM) and crude oil & product price applicable to them are linked to international prices.

Government announced a comprehensive package to end the oil pool deficit on September 1, 1997. The Government also decided that hence forth the price of HSD would be on import parity basis. Accordingly, the ex-storage point price of HSD has been revised as under:

Effective Dates	Ex-storage point price (excluding Excise duty etc.) Rs./KL
07.11.97	7918.04
25.12.97	7996.84
01.03.98	7839.24
04.04.98	7645.47
20.05.98	7536.89

The prices of petroleum products like Naphtha, FO, LSHS, Bitumen, paraffin-wax etc. have been decontrolled w.e.f. 1.4.98 and the oil companies have been allowed to fix their prices based on the market consideration. The ex-storage prices (exclusive of duty etc.) of Naphtha/FO and LSHS have been reduced by 5% and 7% respectively effective 1.4.98. The total annual savings to the consumers is presently estimated at around Rs. 668 crore.

Malpractices by Petrol Pumps in Delhi

2551. SHRIMATI KAMLA SINHA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether a recent surprise check on petrol pumps in Delhi conducted by the Department of Weights and Measures revealed malpractices being indulged in by the petrol pumps cheating the customers in the quantity of petrol sold;

(b) if so, what are the details thereof; and

(c) what corrective measures are contemplated by Government to check it.

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR): (a) Yes, Sir.

(b) In June, 1998, 126 petrol pumps in Delhi were inspected by officials of Weights & Measures deptt. of Delhi Administration and evidence of contravention of the requirements of the Standards of Weights & Measures (Enforcement) Act, 1985 was found in 12 cases.

Prosecution under section 39 of the standards of Weights & Measures (Enforcement) Act, 1985 has been initiated In the 12 cases, as part of action being taken to enforce the law relating to Standards of Weights and Measures.

(c) The oil companies have taken the following steps to check short delivery in retail outlets:—

(i) A Standard 5 litre measure duly calibrated/stamped by Weights & Measures Deptt. is available at all the Retail Outlets for checking the delivery of correct quantity by the dealer.

(ii) The customer visiting the petrol pump can also check the delivery if he so desires.

(iii) During the inspection/joint inspection by the oil industry teams, the delivery of the dispensing unit is also checked.

(iv) In case of shrot delivery, the seals of the dispensing units are checked. If the seals are intact but the deliveries are below tolerance limits, sales and supplies are stopped immediately and subsequently resumed only after re-calibration is carried out by the Weights & Measures Deptt. to ensure that correct quantity is delivered to the customer.

Action such as issue of warning, suspension of sales and supplies, imposition of fines and even termination of the dealership/distributorship, is taken in proven cases of malpractices/irregularities.

Cooking Gas Distribution through Pipeline

2552. SHRI RAHAS BIHARI BARIK: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government have prepared any plan under which the cooking gas will be distributed through pipelines in the Capital;

(b) if so, the salient features thereof;

(c) the cost of the plan alongwith the target fixed for the completion thereof; and

(d) the budgetary provision made during the current financial year in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR): (a) Yes, Sir.

(b) and (c) A pilot project to supply gas to the domestic sector was taken up by GAIL to 12,000 houses in Kaka Nagar, Bapa Nagar and Pandara Park areas of New Delhi. To extend the coverage to other parts of city, the Government has approved the formation of a Joint Venture Company (JVC) consisting of GAIL and BPCL having a total 50% equity and the balance to be offered to financial institutions, public etc. The JVC would be taking up the project for distribution of piped gas in Delhi city at an estimated cost of Rs. 537 crores to cover 2,31,000 domestic consumers, commercial consumers and 20,000 vehicles in the National Capital Region of Delhi. The period for completion of the project is 6 years from the date of the formation of the JV Company.

(d) No budget provision from the Government is required towards this Project. GAIL and BPCL will be contributing from their own resources.

LPG Distributorship in Kerala

2553. SHRI . CHITHARANJAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the list of the Small Towns in Kerala having a population of 10,000 and above which are proposed to engage distributors for LPG;

(b) out of these, how many distributors for LPG have already been engaged; and

(c) whether Government ould consider to engaged the Kerala State Civil Supplies Corporation also for distribution